NUEXCO

EXECUTIVE SUMMARY
REPORT 205
(All data as of August 31, 1985)

Exchange Value
$16.00, up $0.25

The **Exchange Value** is **$16.00** per pound U_3O_8, up $0.25 since last month.

UF_6 Value
$44.50, up $0.50

The **UF_6 Value** is **$44.50** per kilogram U as UF_6, up $0.50 since last month.

Transactions

Three recent natural uranium sales are reported, involving approximately 400 thousand pounds U_3O_8 equivalent. All three sales involved spot or near-term delivery and met the conditions for inclusion in the Transaction Value. One of the sales involved natural UF_6.

Supply-Demand Ratio
fell to 2.8:1

Active spot and near-term **uranium supply** amounts to **3.3 million** pounds U_3O_8 equivalent, up 305 thousand pounds since last month. Active spot and near-term **uranium demand** totals **1.2 million** pounds, up 750 thousand pounds. The spot and near-term **supply-demand ratio** fell to **2.8:1.**

Transaction Value
rose to $15.10

The **Transaction Value** is **$15.10** per pound U_3O_8, up $0.35 since last month. The calculation includes 14 transactions involving a total of 2.4 million pounds U_3O_8 and equivalent UF_6, and covers a period of 3 months.

Loan Use Charge Rate
unchanged at 5%

The **Loan Use Charge Rate** is **5 percent** per annum, unchanged.

Conversion Value
unchanged at $1.60

The **Conversion Value** is **$1.60** per pound U as UF_6, unchanged since last month. Active secondary market supply for conversion services for delivery within three years totals 325 thousand pounds U as UF_6. Active demand totals 525 thousand pounds U as UF_6.

SWU Values unchanged:
$85 for DOE-origin
for delivery by
the end of FY86
$81 for non-DOE origin
for delivery by the end
of calendar year 1986

The **SWU Value** for DOE origin at .3 tails and certifiable as excess, is **$85** per SWU for delivery by the end of FY86. The SWU Value for other SWUs (non-DOE or non-certifiable) is **$81** per SWU for delivery by the end of calendar year 1986. One secondary market SWU transaction is reported, involving less than 50 thousand SWUs.

South Africa

Continuing social unrest and increasing international pressure have combined to deal severe blows to South Africa's economy. The possibility of international sanctions, the mineworkers' strike, and declining currency values have deepened the sense of crisis, yet the large uranium stockpiles held by producers should keep supply channels open for the foreseeable future.

Japan

Two more nuclear units entered service, bringing the total number of operating reactors to 30, having a combined capacity of 22,500 MWe. Also, officials recently announced new developments in laser enrichment research.

Focus

Comurhex provides uranium conversion services for the commercial market, and ranks second among the five free world converters in nameplate capacity. However, despite a large worldwide oversupply of conversion services, Comurhex is able to maintain a relatively high market share by virtue of its concentration on the European and Asian markets.

This Executive Summary may be reproduced for internal distribution.

© NUEXCO 1985

NUEXCO

NUEXCO REPORT 205 FIGURES OF THE MONTH (August 31, 1985)	This Month (Report 205)	Last Month (Report 204)	12 Months Ago (Report 193)
Exchange Value[1]	16.00	15.75	17.50
Transaction Value[1]	15.10	14.75	16.40
UF_6 Value[2]	44.50	44.00	—
Loan Use Charge Rate[3]	5%	5%	6%
Conversion Value[4]	1.60	1.60	0.80
Near-Term Uranium Supply[5]	3.3	3.0	5.1
Near-Term Uranium Demand[6]	1.2	0.5	1.1
Near-Term Supply-Demand Ratio	2.8	6.7	4.6
Recent Uranium Sales:			
Number of Transactions[7]	3	8	4
Quantity of Material[8]	0.4	1.8	1.0
Nuexco SWU Values:[9]			
DOE origin, certifiable as excess, 0.3 tails assay; delivery before the end of FY86	85	85	—
Other SWUs (non-DOE or non-certifiable) delivery by the end of calendar year 1986	81	81	—
USDOE SWU Prices:			
USEC	135.00	135.00	135.00
AFC	153.00[10]	153.00[10]	153.00[10]
Requirements	157.00[10]	157.00[10]	157.00[10]
Market Value of Enriched UF_6[11,12]:			
2.5 w/o U_{235}	459	455	537
3.0 w/o U_{235}	589	585	691
3.5 w/o U_{235}	722	717	848
4.0 w/o U_{235}	857	851	1,008

[1]US $ per pound U_3O_8 equivalent.
[2]US $ per kilogram U as UF_6.
[3]Per annum.
[4]US $ per pound U as UF_6.
[5]Active inquiries to sell, for delivery within 12 months after contract signing (millions of pounds U_3O_8).
[6]Active inquiries to purchase, for delivery within 12 months after contract signing (millions of pounds U_3O_8).
[7]Uranium sales only; does not include loans, conversion, or SWU transactions.
[8]Millions of pounds U_3O_8 equivalent.
[9]US $ per SWU.
[10]Effective 10/1/84.
[11]Calculated using the Nuexco Exchange Value, Conversion Value, and 0.30 percent tails assay. From 3/30/84 through 4/29/85, calculations used the Nuexco SWU Value for DOE origin and FY85 delivery. As of 4/30/85, calculations use the Nuexco SWU Value for DOE origin and delivery by the end of FY86.
[12]US $ per KgU as UF_6, rounded to the nearest $.

INDEX TO LAST MONTH'S REPORT (204)

Topic		Page
Analysis & Commentary	Incentive Pricing Effect on Optimum Tails Assay	13
Australia	ERA Releases Ranger Production Figures	15
Namibia	Transitional Government Gains Rossing Share	15
South Africa	Second Quarter 1985 Production Figures	16
Raw Materials	The Demise of the US Uranium Industry	17
Nuclear Fuel Pricing	*Natural Uranium and Conversion* Pricing in July 1985	1
	Enriched Uranium and SWUs Pricing in July 1985	2

© NUEXCO 1985